

# INSURANCE ELIGIBILITY

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## Guidelines for Insurance Eligibility

Full-time employees and permanent part-time employees are eligible for coverage with PEEHIP.

### *Full-time Employees*

A full-time employee is considered to be any person employed on a full-time basis in any public institution of education within the State of Alabama. These institutions must provide instruction for any combination of grades K through 14 exclusively, under the auspices of the State Board of Education.

### *Permanent Part-time Employees*

An eligible permanent part-time employee is **not** a substitute or a transient employee. A permanent part-time employee is eligible for PEEHIP if he or she agrees to payroll deduction for a pro rata portion of the premium cost for a full-time employee. The portion is based on the percentage of time the permanent part-time worker is employed.

### *Ineligible Employees*

These employees are not eligible to participate in PEEHIP:

- A seasonal, transient, intermittent or adjunct employee who is hired on an occasional or as-needed basis.
- An adjunct instructor who is hired on a quarter-to-quarter or semester-to-semester basis and/or only teaches when a given class is in demand.
- Board attorneys and local school board members if they are not permanent employees of the institution.
- Contracted employees who may be on the payroll but are not actually employed by the school system.
- Extended day workers hired on an hourly or as needed basis.

## Family Coverage Eligibility

Members can enroll their eligible dependents under PEEHIP by: 1) filing an ENROLLMENT FORM with the member's employer; 2) providing written authorization for the system to deduct the required premium from the member's pay; and 3) having the employing system forward the ENROLLMENT FORM to the PEEHIP office.

An eligible dependent is defined as:

1. The employee's lawful spouse;
2. Unmarried dependent child under the age of 19, only if the child is:

- a. The employee's biological son or daughter;
  - b. The employee's legally adopted child (including any probationary period during which the child is required to live with the employee);
  - c. The employee's stepchild or foster child fully dependent upon the employee for support and permanently residing in the employee's household in a normal parent-child relationship<sup>1</sup> with no foreseeable or expected termination. Appropriate documentation will be required by PEEHIP before child will be enrolled.
  - d. A child related to the employee by blood or marriage who is fully dependent upon the employee for support and permanently residing in the employee's household in a normal parent-child relationship<sup>1</sup>. Appropriate documentation will be required by PEEHIP before child will be enrolled.
3. The employee's (a) unmarried dependent child between the ages of 19 and 25 (b) who has his legal residence with the employee, (c) is wholly dependent upon the employee for maintenance and support, (d) and is a registered full-time student at an accredited secondary or postsecondary school, college or university. **All conditions (a), (b), (c) and (d) must be met for the child to be an eligible dependent.**
  4. Unmarried dependent child of any age incapable of self-sustaining employment because of a physical or mental handicap and is chiefly dependent on the employee for support. **The handicap must have existed prior to the time the child attained age 19 or age 25 if the child was a full-time student. Also, the child had to be covered as a dependent on the employee's PEEHIP policy before reaching the limiting age.** If the child is approved as a handicapped child and allowed to stay on the PEEHIP medical plan, the child **cannot** change plans and be covered on other PEEHIP plans, such as an HMO or Optional plan, if he or she has already reached the limiting age (19 or 25). Proof of the child's condition and dependence must be submitted to PEEHIP within **31 days** after the date the child would otherwise cease to be covered because of age. PEEHIP may require proof of the continuation of such condition and dependence.

### ***Ineligible Dependents***

- Once an "eligible" dependent has "married" or "aged out," that person is ineligible to participate in PEEHIP again as a dependent except subsequently as the spouse of an eligible member.
- **Ex-spouses are not eligible dependents even if a member continues to pay for family coverage. The ex-spouse must be deleted from coverage effective the first day of the month following the date of divorce.**
- Step-children who do not live in the member's household.

<sup>1</sup>The term *normal parent-child relationship* is defined as: A relationship where neither the child's natural mother nor natural father live in the employee's household (e.g. when a child's parents are both deceased, totally disabled or their whereabouts are unknown) and the employee and child's relationship has no foreseeable or expected termination.

## Student Dependents

An eligible student dependent must meet the following requirements:

1. Unmarried and between the ages of 19 and 25
2. Have his or her legal residence with the employee
3. Be wholly dependent upon the employee for maintenance and support
4. Be a registered student in regular full-time attendance at an accredited school (as explained below).

A dependent as described above must be a full-time student according to the school's status criteria.

Example:

If a dependent is only taking 10 hours and the school requires a student to take 12 hours to be full-time, the dependent would not be an eligible dependent for that term. If a dependent is attending more than one school during a given term and is not considered full-time at any one school, the student must be taking at least 12 hours total to be eligible for that term.

If a student is in full-time status for at least one full regular term (not a mini-term) during a school year, he or she can receive one term off during that same school year and still remain a dependent on subscriber's contract.

Example:

If a dependent is a full-time student for fall term and decides to take off the winter term, he or she would remain on subscriber's contract through the winter term. Beginning the spring term, the dependent would have to be a full-time student again or he or she would lose their eligibility. The dependent would also be required to attend school full-time during the summer term to remain an eligible dependent.

**A dependent cannot take off or be part-time more than one term during a school year and remain on subscriber's contract. A dependent must be full-time two out of three semesters or three out of four quarters during a school year.**

When a dependent graduates from school, the dependent loses student dependent status at the end of the month in which he or she graduates regardless of the dependent's age. The dependent would not be given a "free term" after graduation unless the dependent has been accepted to a post-graduate school and will begin classes within 90 days. Proof of acceptance will be required by PEEHIP.

When a dependent is no longer eligible for coverage as a dependent, he or she may be eligible to continue the health insurance coverage under COBRA. To elect coverage under COBRA, the member or dependent must notify PEEHIP within **60 days** from the date the dependent is no longer eligible for coverage.

Blue Cross Blue Shield sends a student verification letter to the member a few months before the student dependent's birthday. The member must then confirm the dependent's eligibility or non-eligibility as a student by calling the automated response line (1-800-762-3071) to give Blue Cross the necessary information. Blue Cross records the information and updates its records. **If Blue Cross is given incorrect information, the member will be responsible for all claims incurred on the student.**

**If a student dependent's status is not updated in a timely manner, the student dependent will be cancelled and PEEHIP will require written verification from the registrar's office to get the student reinstated. If the student dependent's status changes during the year, the member is responsible for notifying Blue Cross or the PEEHIP office.**

## **Newly Acquired Dependents – Single Coverage**

### ***Marriage***

A member with single coverage who marries and wishes to acquire family coverage must submit written notification to PEEHIP within **31 days** of the date of marriage. The effective date of coverage may be the date of marriage or the first day of the following month. The 270-day waiting period on pre-existing conditions will be waived if proof of previous coverage is received and approved by the PEEHIP office. No prior notification is required.

If PEEHIP does not receive written notification within 31 days of the date of marriage, the eligible dependent will be added as of the date of notification or the first of the month following notification. The eligible dependent will be required to serve a 270-day waiting period on pre-existing conditions unless proof of previous coverage is received and approved by the PEEHIP office.

### ***Newborn***

A member with single coverage who desires family coverage due to the birth of a child must submit written notification to PEEHIP within **31 days** of the date of birth. The effective date of coverage *may* be the date of birth or the first day of the following month. A waiting period on pre-existing conditions will be waived for the newborn child if the effective date is the date of birth. No prior notification is required. *If a newborn is not covered on the date of birth, claims for the newborn at the time of birth will not be paid.*

When adding family coverage, a member can add all eligible dependents to the policy. However, the newly added dependents may be subject to the 270-day waiting period on pre-existing conditions.

If PEEHIP does not receive written notification within 31 days of the date of birth, the eligible dependent(s) will be added as of the date of notification. In this case, the eligible dependent(s) will be required to serve a 270-day waiting period on pre-existing conditions unless proof of previous coverage is received and approved by the PEEHIP office.

A member who is only enrolled in the four optional plans cannot enroll in the Hospital Medical plan due to the birth of a child.

## **Newly Acquired Dependents – Family Coverage**

If the member already has family coverage, the member may enroll a new dependent(s) by completing and mailing a MEMBERSHIP STATUS CHANGE FORM to the PEEHIP office within **31 days** of acquiring the dependent(s). No prior notification is required. Application for dependent coverage must be made by the employee and approved and processed by PEEHIP prior to the payment of any claims.

### ***Stepchildren***

To add stepchildren, the member must attach to the ENROLLMENT FORM documentation that the child is residing in the household. Acceptable documentation would be school records, divorce papers, etc.

### ***Other Dependent Children***

When adding a dependent child other than the member's biological child or stepchild, the member must attach to the ENROLLMENT FORM documentation of custody or guardianship and provide information as to the relationship to the member. The dependent must be related to the employee by blood or marriage and must be fully dependant upon the employee for support and permanently residing in the employee's household in a normal parent-child relationship. In addition, PEEHIP requires appropriate documentation as to the whereabouts of the natural mother and father, such as custody or guardianship papers, notarized statement, etc. If custody is temporary, the dependent child must have resided in the member's household for at least one year before the dependent can be considered for coverage.

### ***Dependents With Different Last Names***

If a husband and wife have different last names, the member must attach to the ENROLLMENT FORM a copy of the marriage certificate.

If biological children have different last names, the member must attach to the ENROLLMENT FORM a copy of the birth certificate.

***Enrollments cannot be processed without the appropriate documentation as explained above.***

***PEEHIP is not bound by a court order to insure dependents who do not meet PEEHIP guidelines.***